

Fiscal Year 2013 Budget



May 17, 2012

www.Concordnh.gov



Overview

- ❑ Guiding Principles
- ❑ Local Economy
- ❑ Comparisons
- ❑ Bond Ratings
- ❑ Fiscal Year 2012 Budget and Estimates
- ❑ Fiscal Year 2013 Budget



Guiding Principles

Budget Preparation Approach



Guiding Principles

□ **Direction from City Council and FPAC:**

- Focus on priorities, mandates and sustainability
- Plan for the future with an eye on the past

□ **Fiscal Reality:**

- Continually reevaluate how local government is managed
- Always consider affordability

□ **Determine What is Essential:**

- Continue to distinguish the essential from the “just good to do”
- Deliver the essential services well
- Focus limited resources on departmental core missions



Guiding Principles

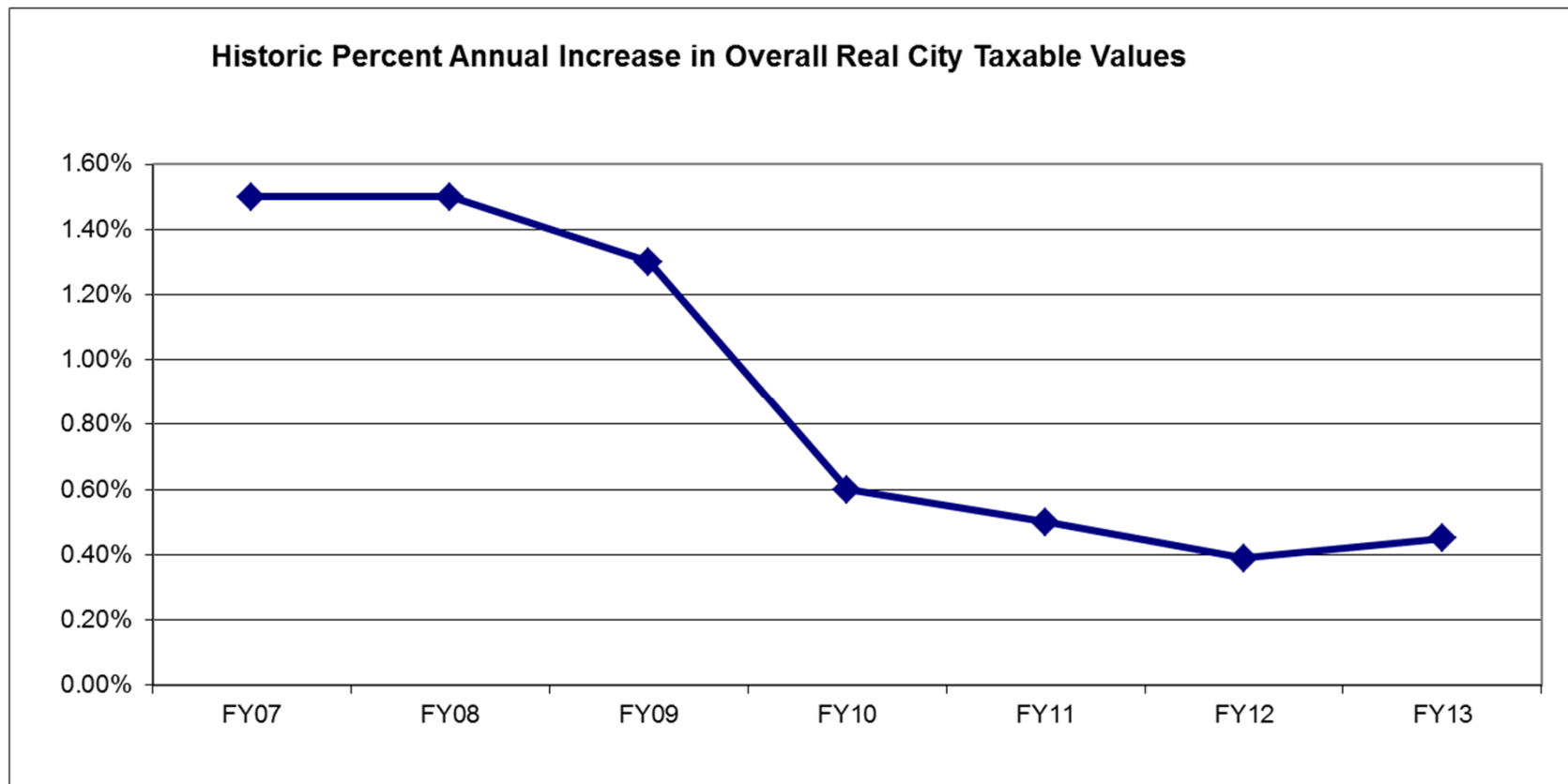
□ **Act Comprehensively and Share Sacrifice:**

- Given the continued nature of the economic climate, economic issues will not be solved by either expense reductions or revenue increases alone
- Actions must be taken across every area of local government to reinvent ourselves - this requires a long-term perspective

□ **The Evaluation Process:**

- Continue with a program delivery approach based on collaboration and cooperation

Annual Change in Real Property Growth Rates Available for Tax Revenue Estimating Purposes





Economic Strength Rankings

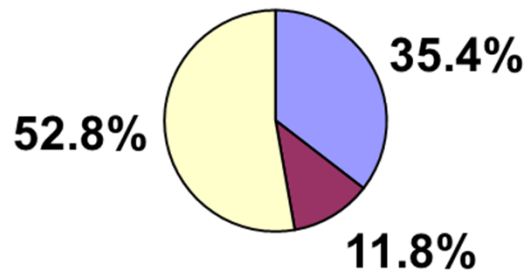
Micropolitan Statistical Areas

Policom Corp

	2011	2010	2009	2008	2007	2006	2005	2004
Durango, CO	1	3	4	6	13	16	7	15
Helena, MT	2	6	9	13	23	7	14	37
Gillette, WY	3	2	8	10	47	69	107	150
Concord, NH	4	8	5	3	1	1	1	1
Lexington Park, MD	5	13	11	16	22	66	58	33
Hilton Head Island, SC	6	4	1	1	2	3	2	2
Bozeman, MT	7	7	6	8	8	10	9	9
Lebanon, NH-VT	8	16	7	4	3	2	3	6
Edwards, CO	9	1	2	2	5	4	4	3
Kahului-Wailuku, HI	10	9	3	5	4	30	24	61

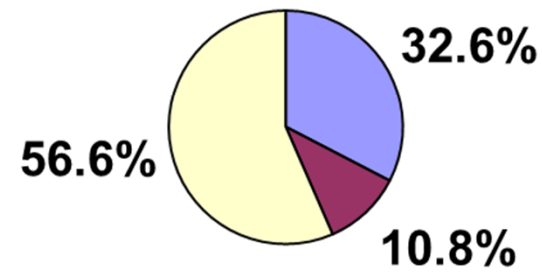
2011 City of Concord Taxes

Concord Tax Rates



■ City ■ County ■ School & State Ed

Penacook Tax Rates



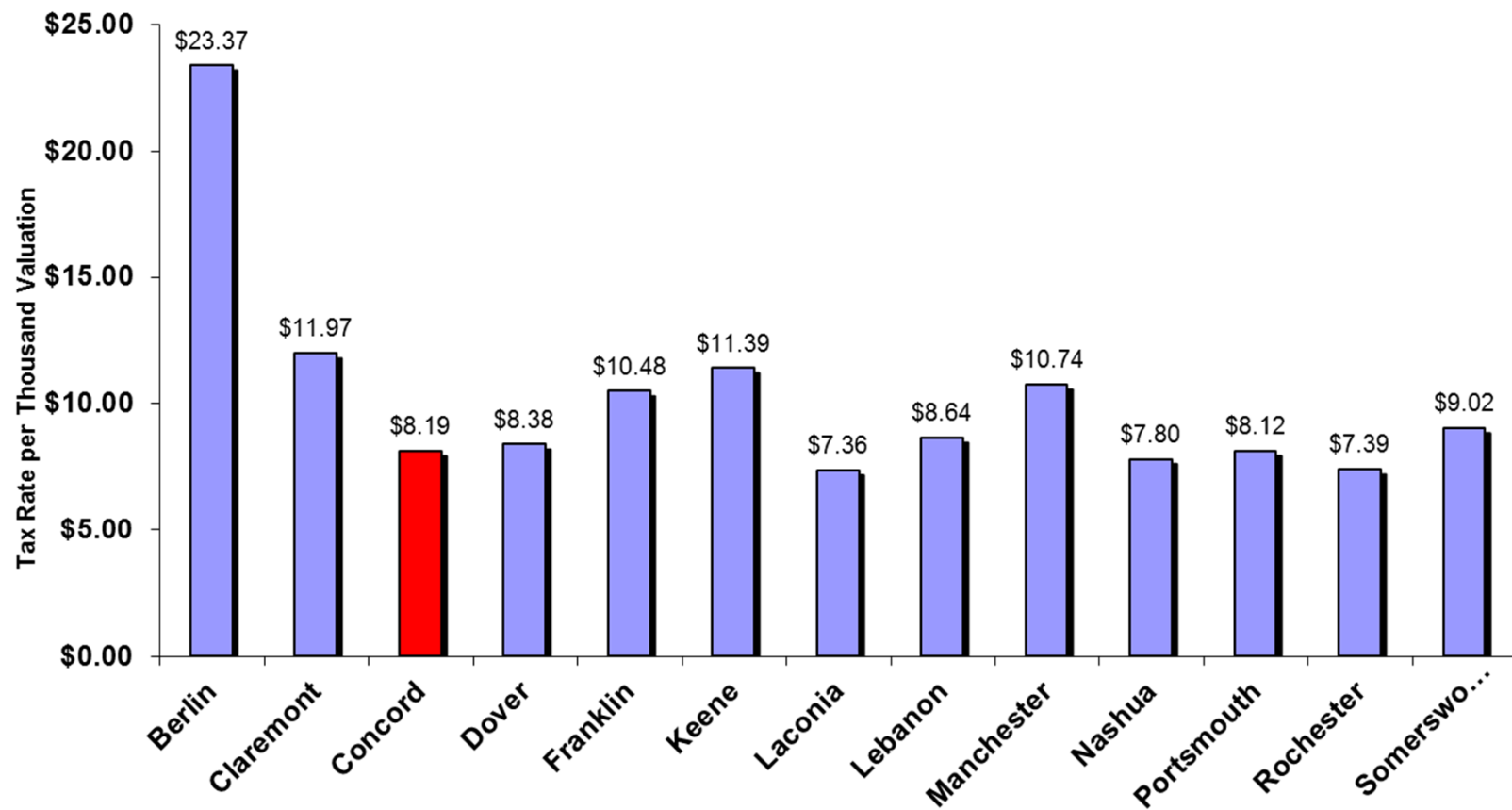
■ City ■ County ■ School & State Ed

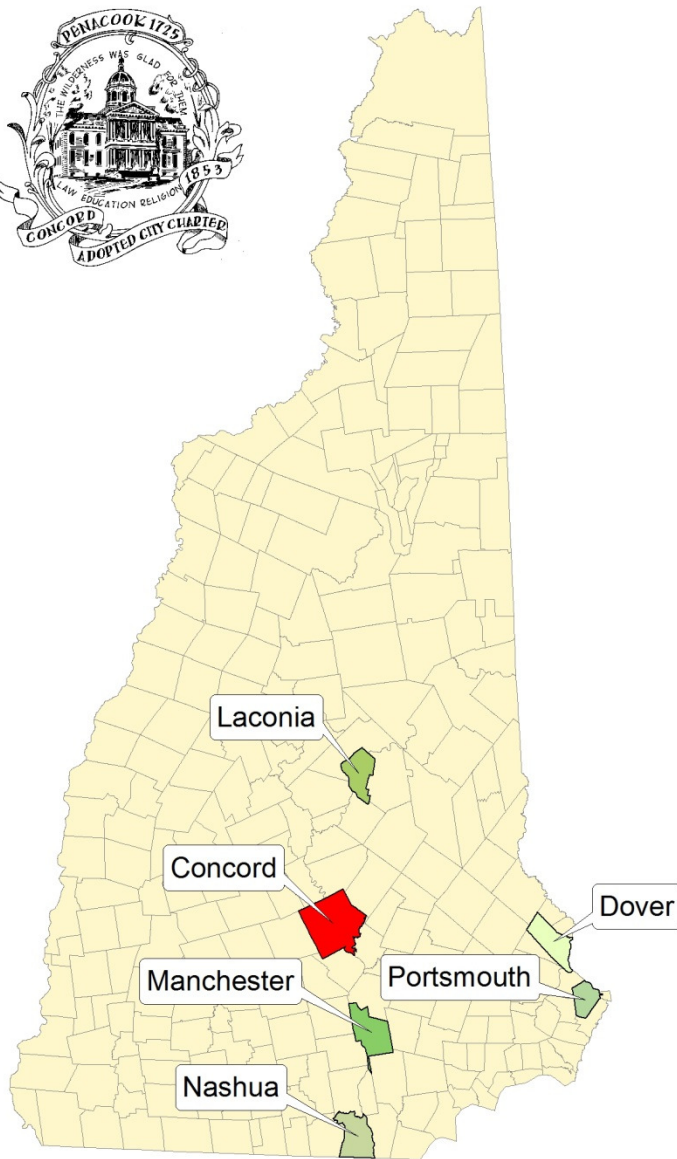


How does Concord compare?

- Municipal Full Value Tax Rates
 - New Hampshire Cities
- Tax Exempt Property
- Current Use Property

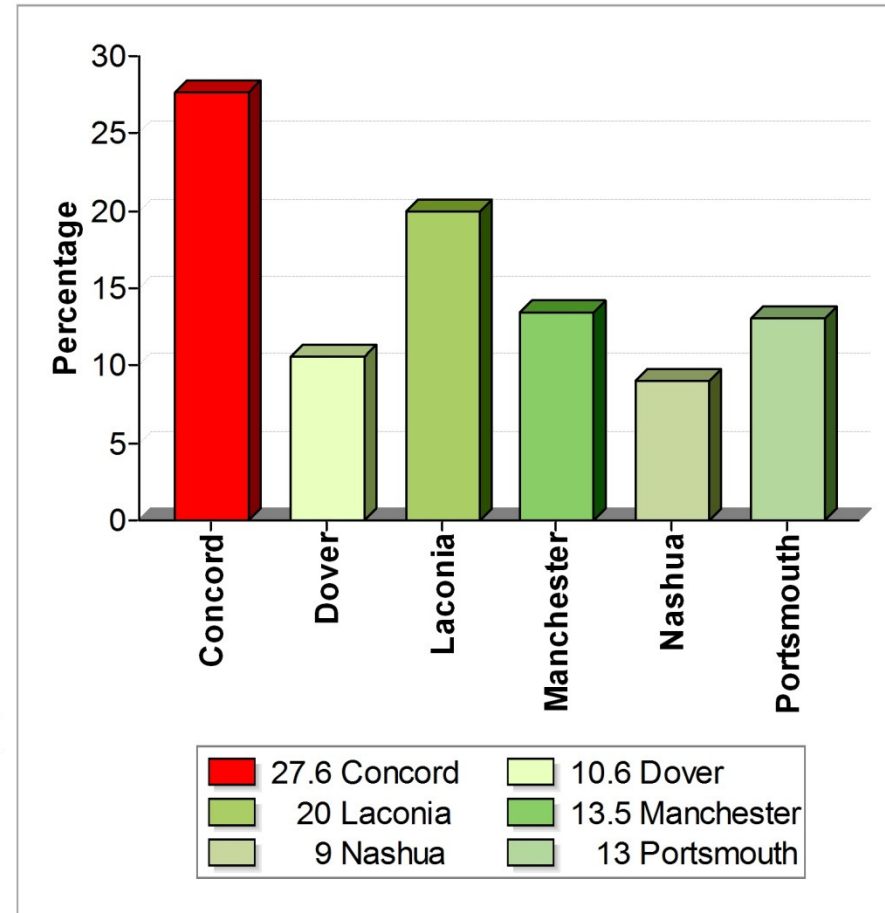
How does Concord compare with New Hampshire Cities? Tax Year 2010



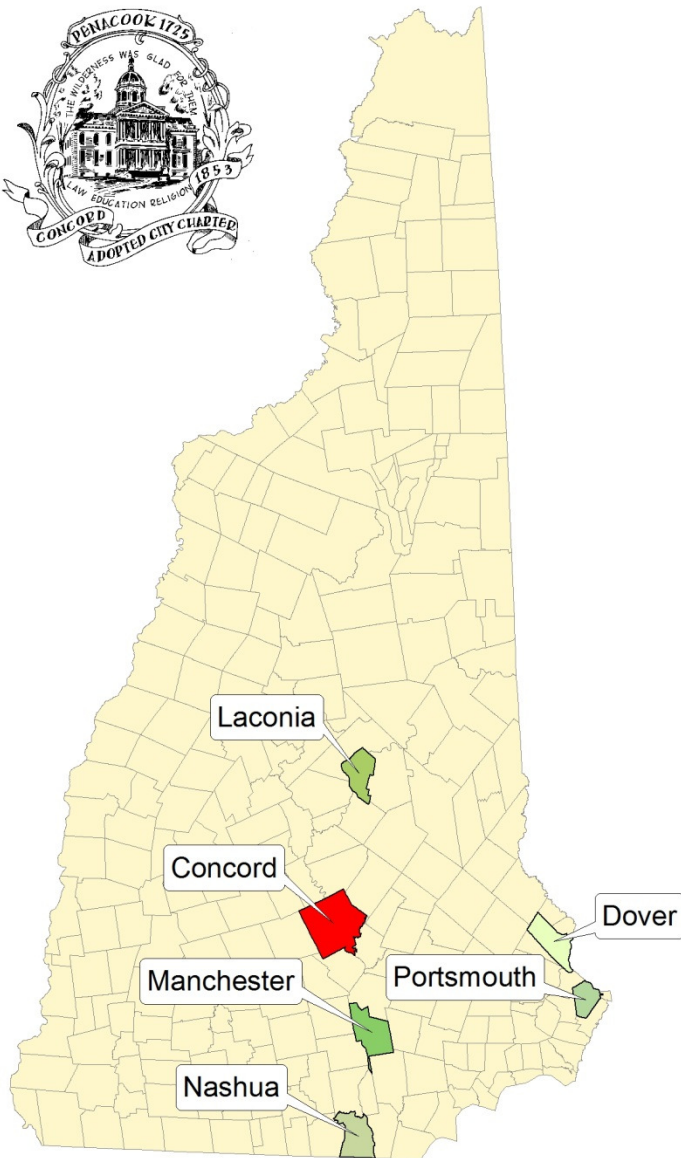


Percent Value Tax Exempt Comparable Cities In New Hampshire

Printed: May 2012

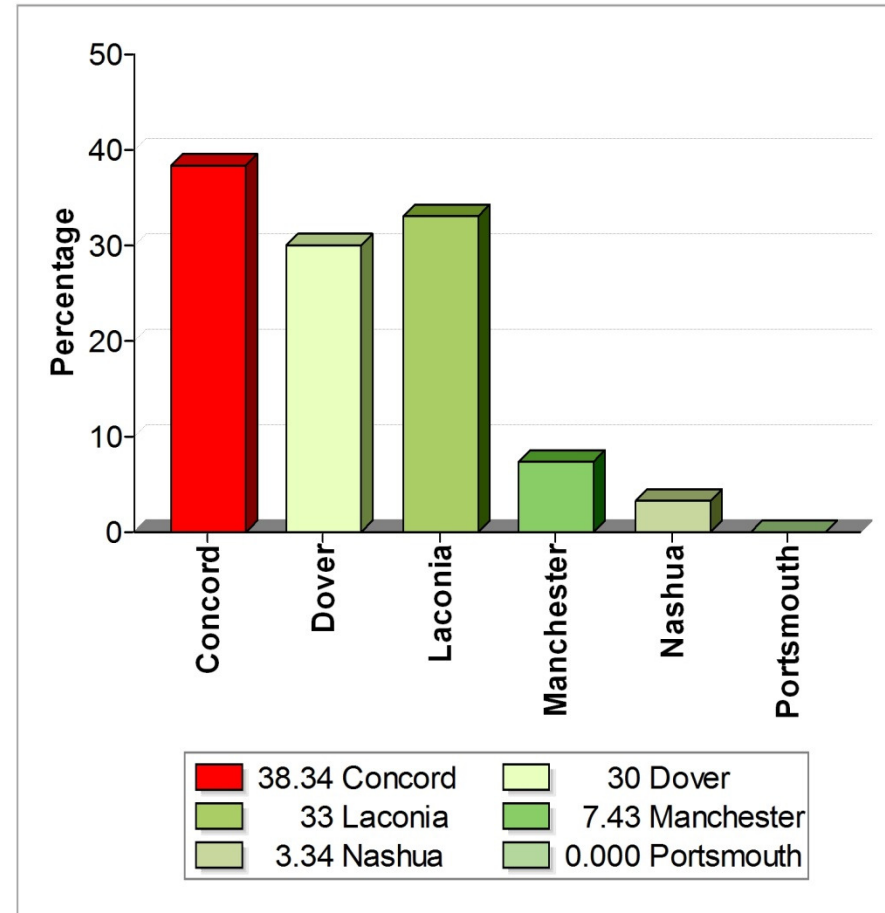


City of Concord, New Hampshire
Engineering Services Division



Percent Acreage In Current Use Comparable Cities In New Hampshire

Printed: May 2012



City of Concord, New Hampshire
Engineering Services Division



City's Bond Ratings

Standard & Poor's: Revised from AA with a *stable* outlook to a *positive* outlook reflecting:

- ❑ Strong economic base
- ❑ Very strong per capita market value and good income and low unemployment
- ❑ Very strong financial position, bolstered by strong fiscal policies and capable management

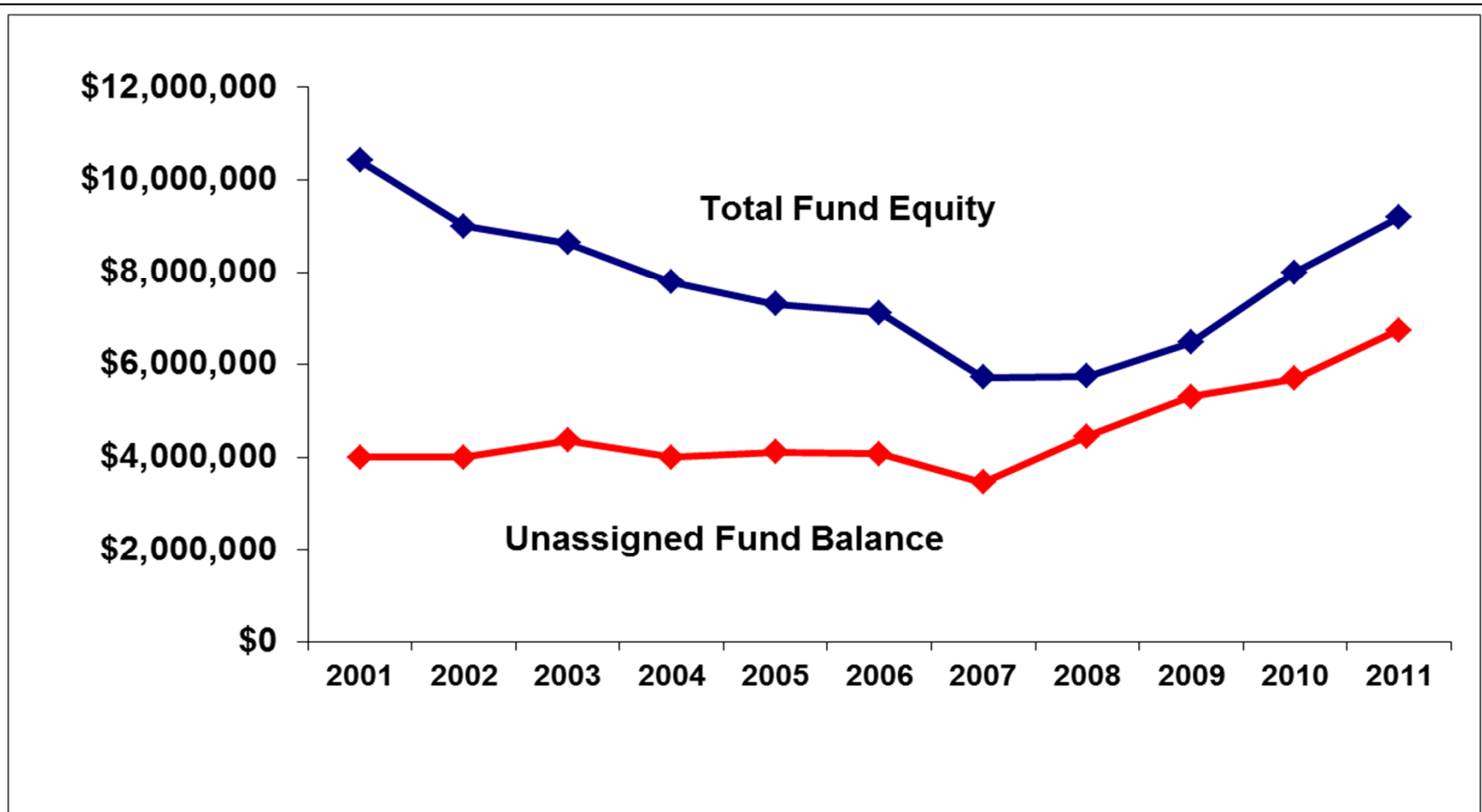


City's Bond Ratings

Moody's: Aa1 reflecting:

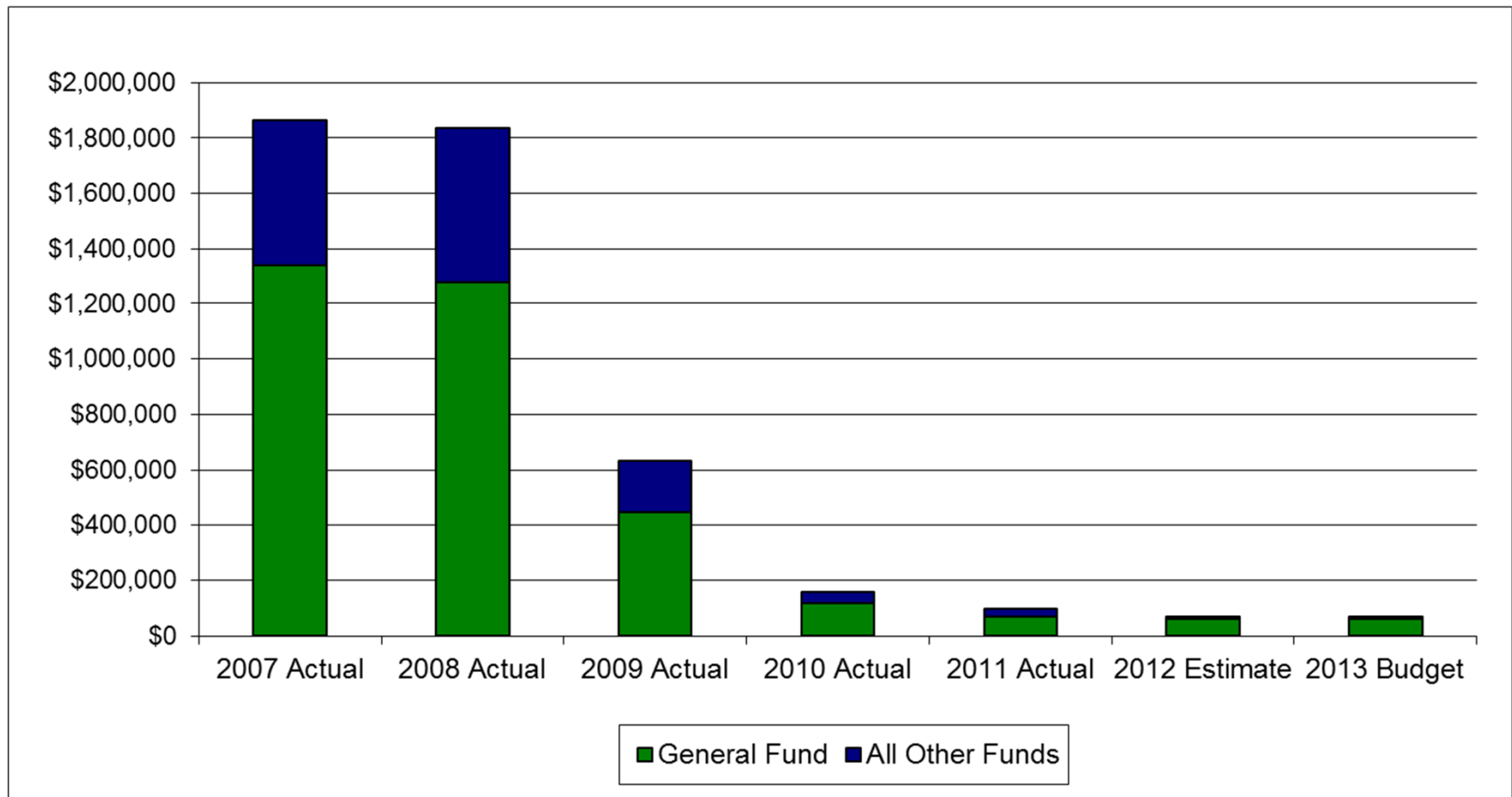
- City's Economic Strength
 - Healthy Financial Position
 - Stable/Diverse Tax Base
 - Sound Financial Management
- Achievement of 4 years of operating surplus
 - Increased Unassigned Fund Balance
 - City's ability to maintain adequate reserve levels will be an important consideration in future bond rating

Total Fund Equity and Unassigned Fund Balance 2001 – 2011 Actuals

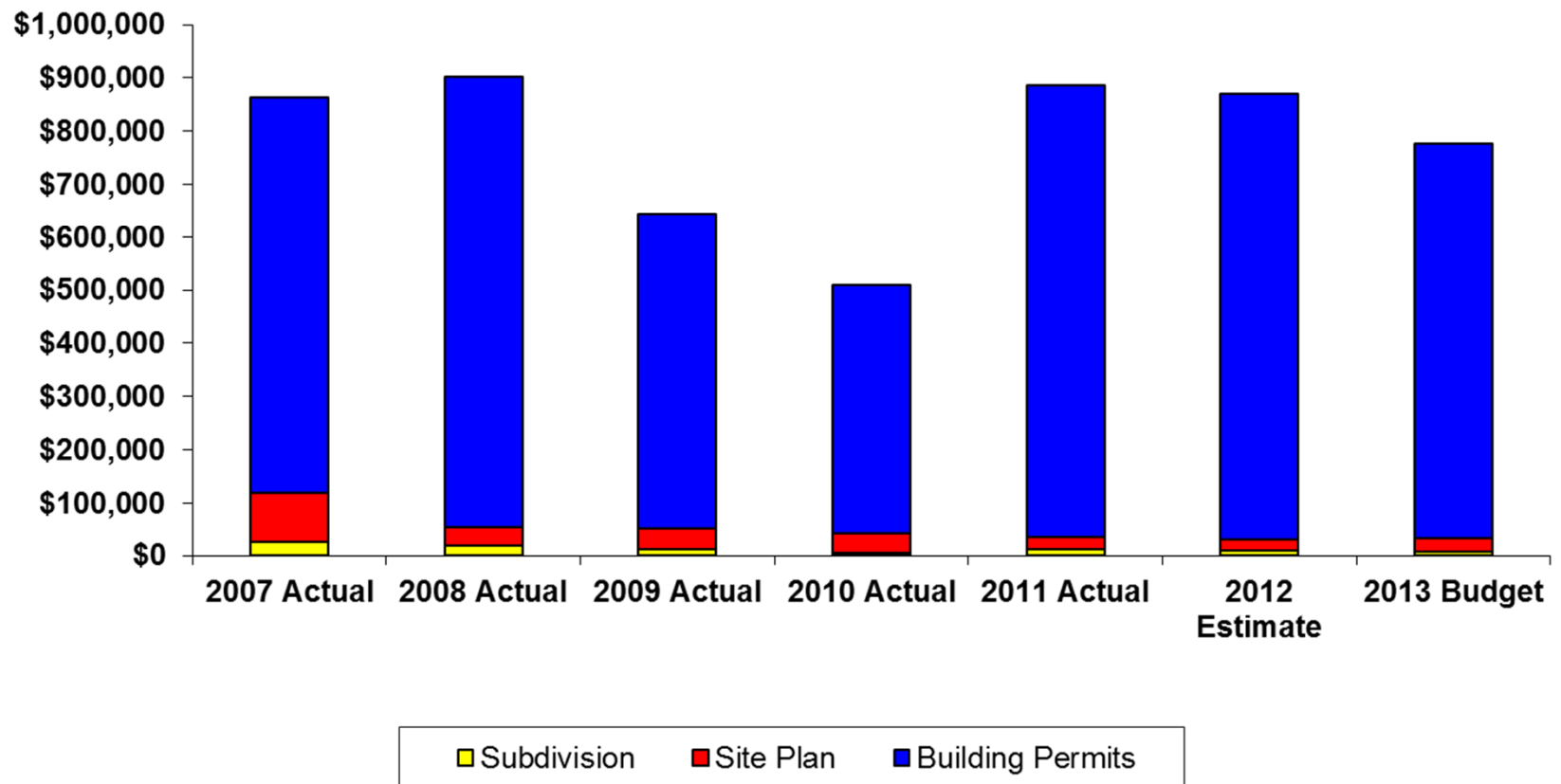


Interest Income: General Fund and All Funds

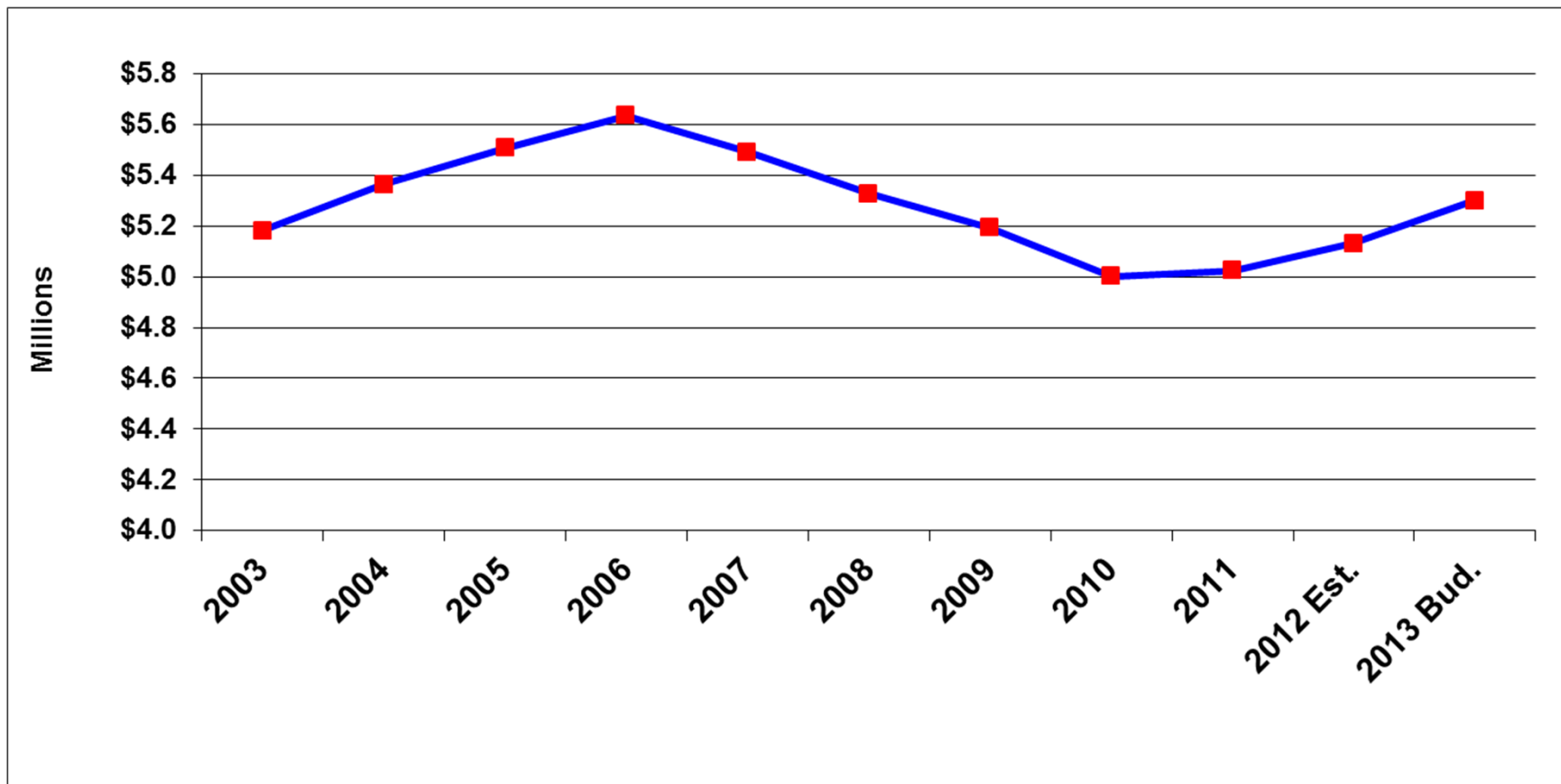
Fiscal Years 2007 – 2013



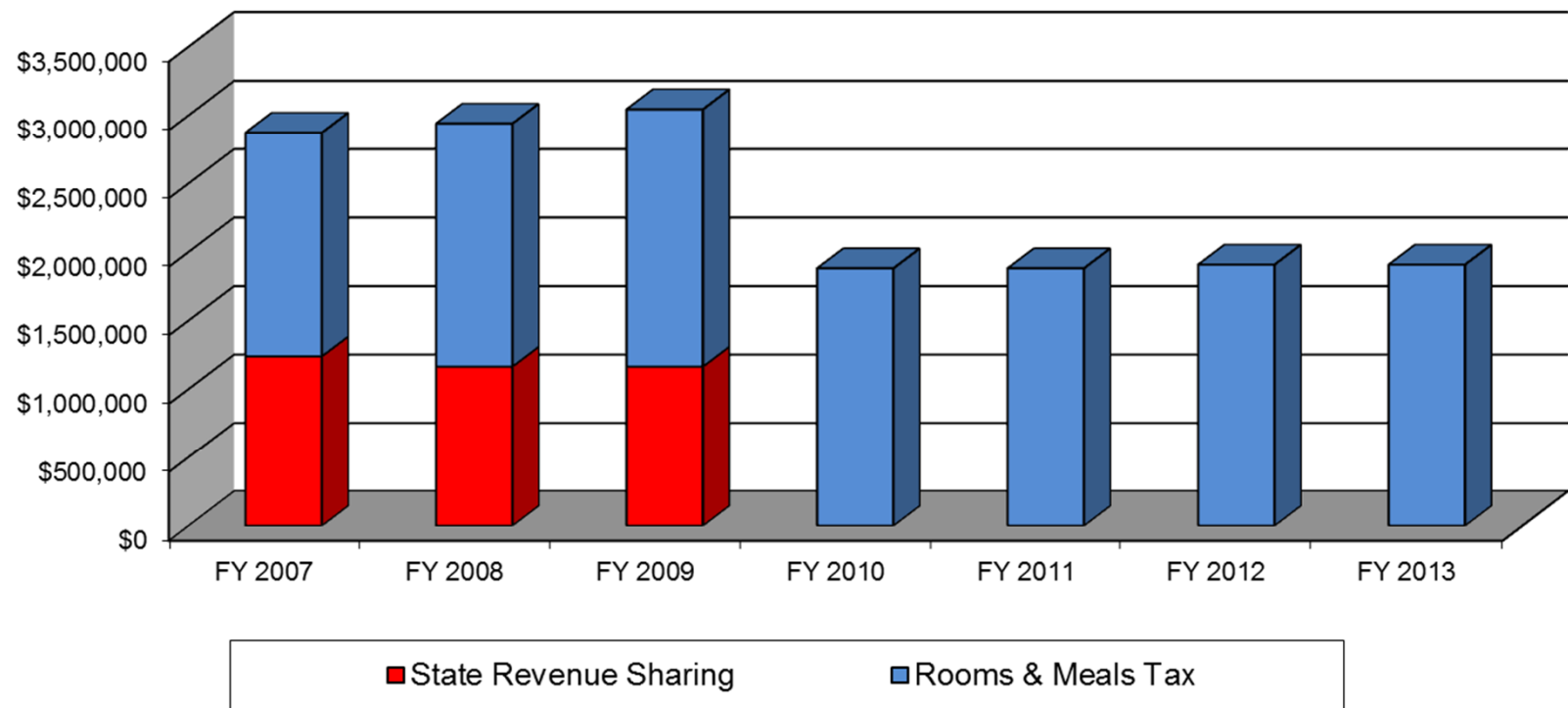
Planning & Permitting Revenue



Motor Vehicle Registration Revenue



Reductions in State Revenue to City





Fiscal Year 2013 Budget

FY 2010 Budget Reductions & Realignment

- Provided First Balanced Budget in Memory
- Made Reductions of \$3.6 Million in Budget

FY 2011 Budget Reorganizations

- Solidified Reorganizations
- Invested in Efficiencies and Service Delivery




Fiscal Year 2013 Budget

FY 2012 Budget Continued Reorganizations

- Continued to Improve Efficiencies
- Increased Investment in Infrastructure
- Focused on Long-term Cost Drivers

FY 2013 Budget Initiatives

- Strengthen Solvency of Special Revenue and Enterprise Funds – Focus on Reserve Goals
- Continue Investment in Infrastructure
- Remain focused on Long-term Cost Drivers



Necessary Actions to Promote Constructive Change

- ❑ Invest in innovation and continuous improvement
- ❑ Manage revenues as carefully as expenditures
- ❑ Examine and improve organizational design and process
- ❑ Cost containment and efficiencies



What We Have Done

- Organizational Realignment
 - Financial Services Consolidation – Efficiencies Gained - Savings Achieved
 - Legal Services – Savings Achieved/Overlay Reductions
 - Parks & Recreation Department – Grounds & Beaver Meadow Golf Course
 - Library Services Realignment and Investments

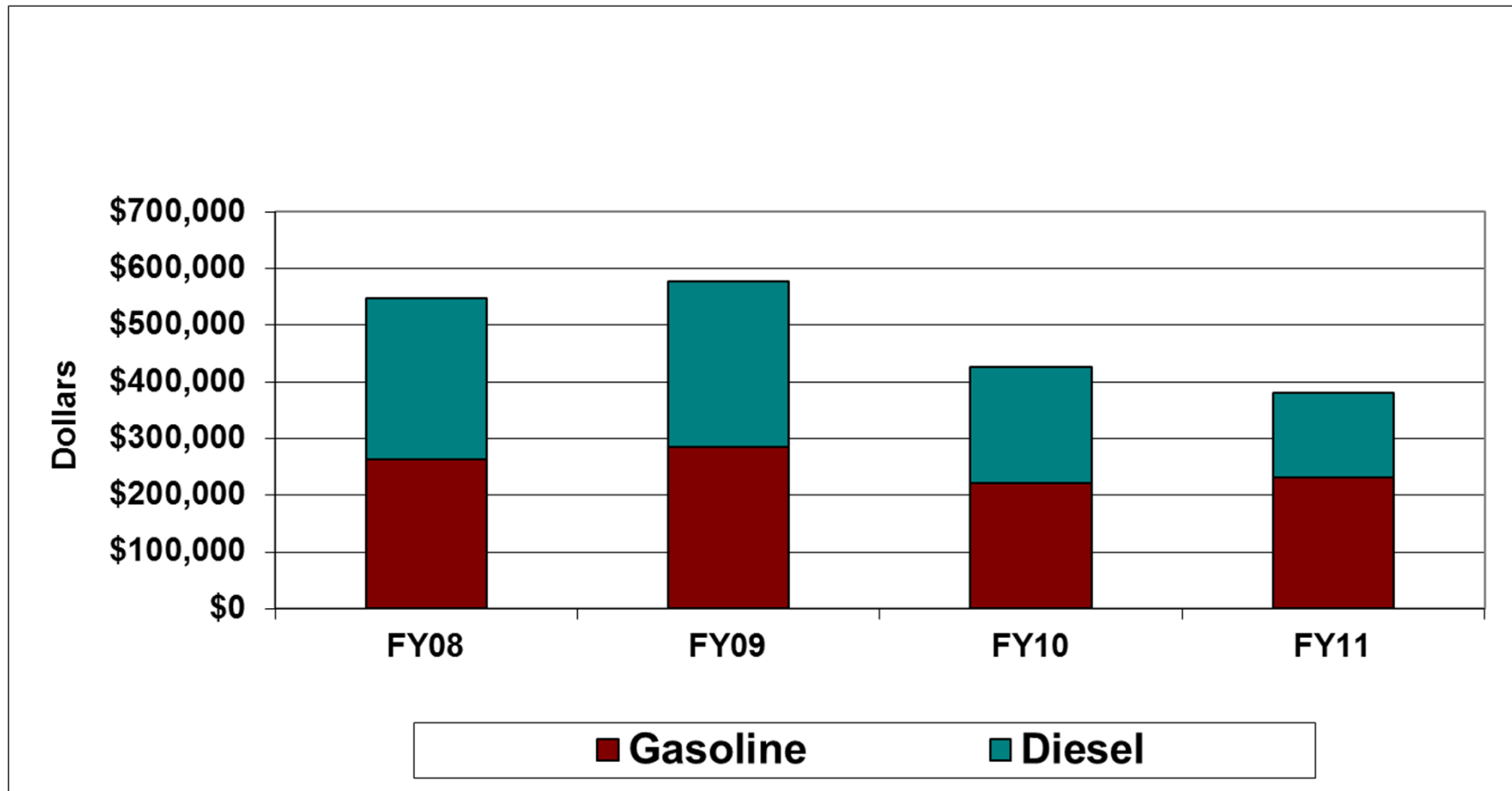


Cost Containment & Efficiencies

- ❑ Fuel and Energy Savings
- ❑ Worker's Compensation Costs Minimized
- ❑ Overtime Costs Managed
- ❑ Reductions in Overlay Budgeting

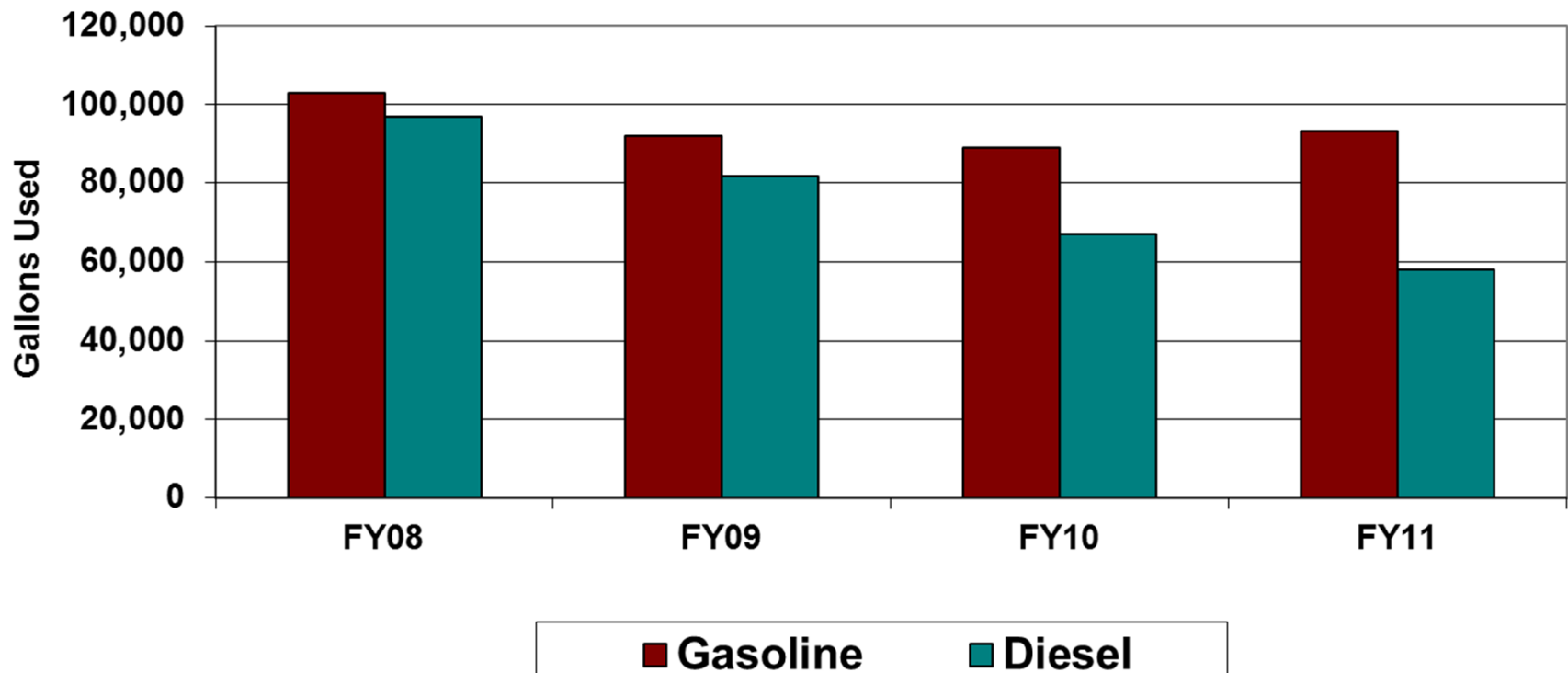
Energy Savings – Cost of Fuel

All Departments

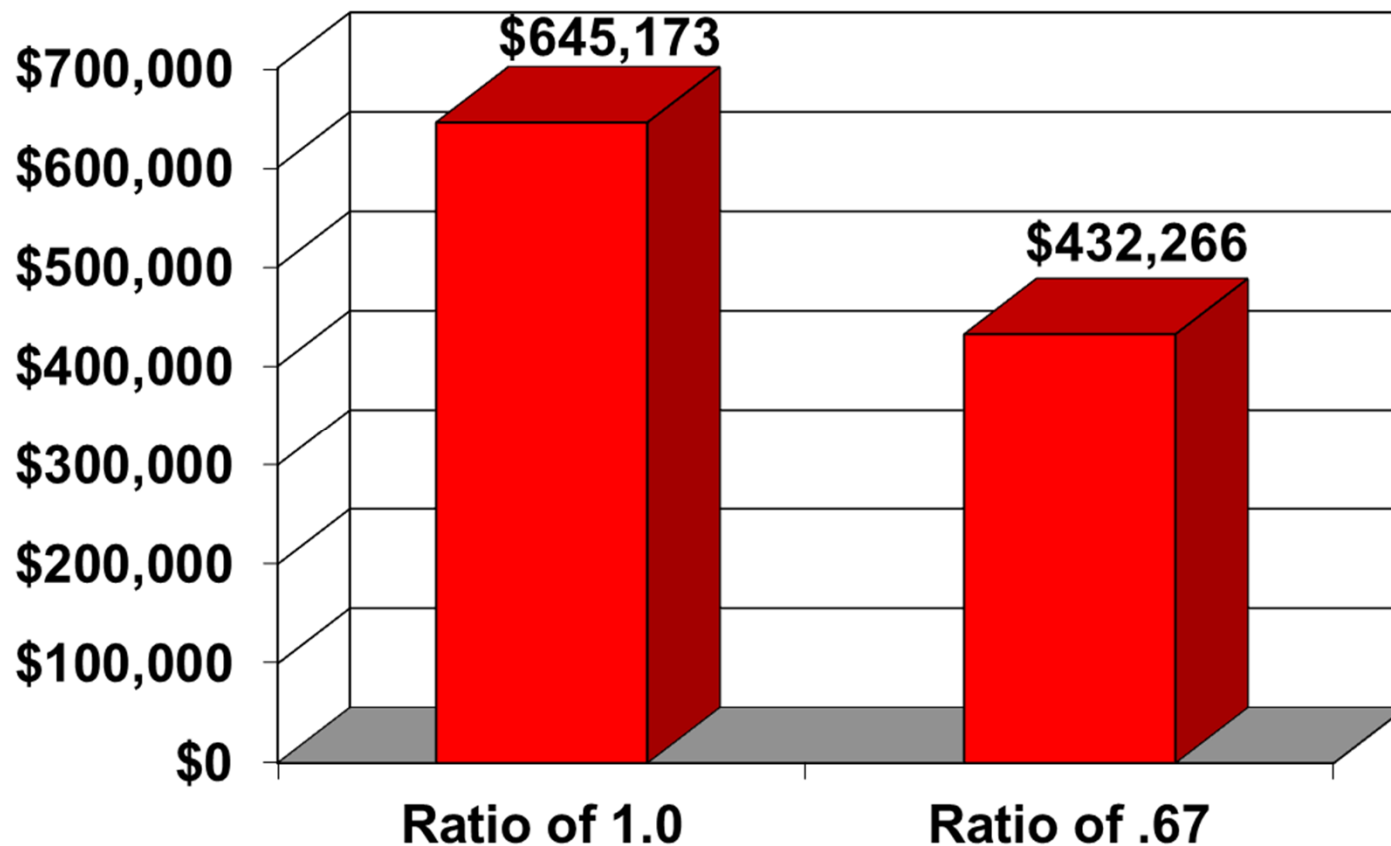


Energy Savings – Fuel Consumption

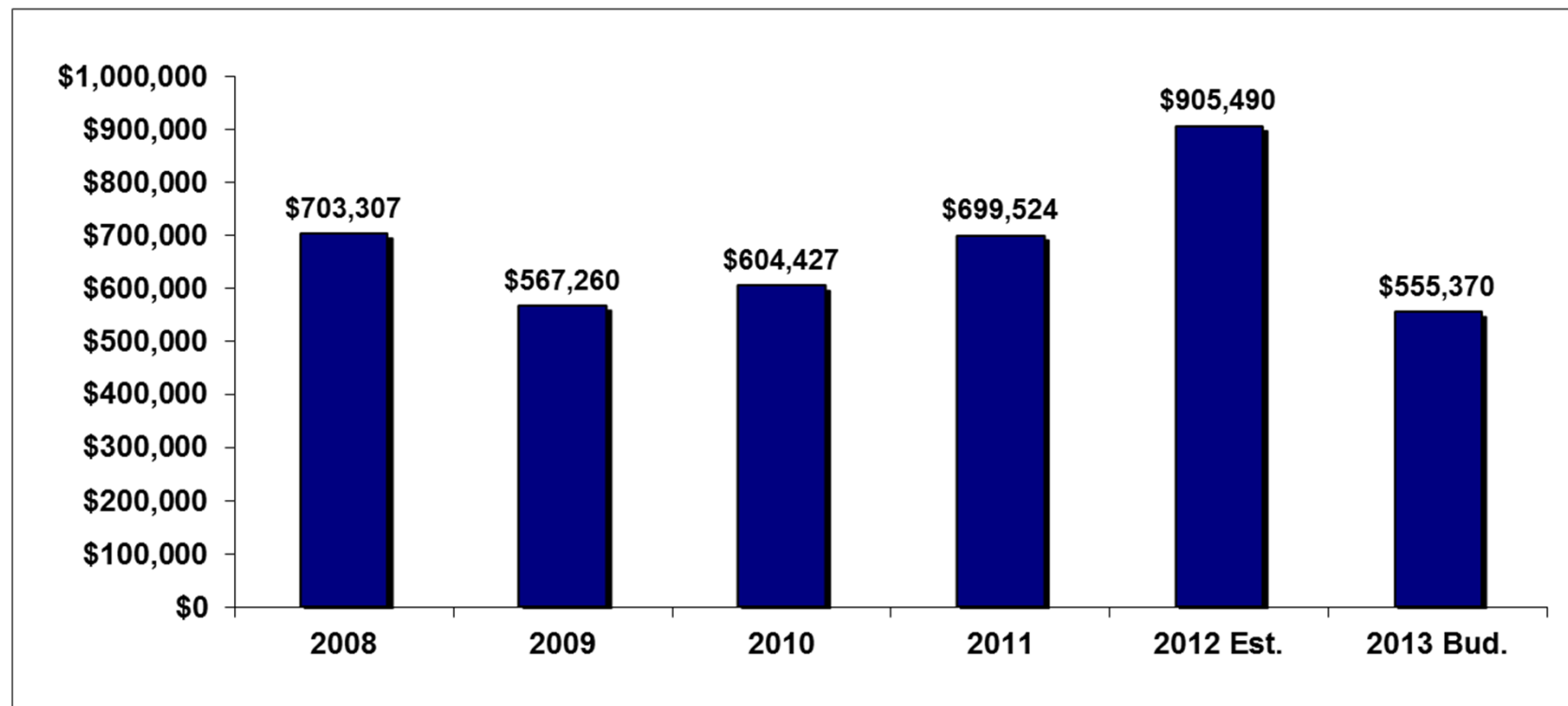
FY08 – FY11



Worker's Compensation Costs: 2012

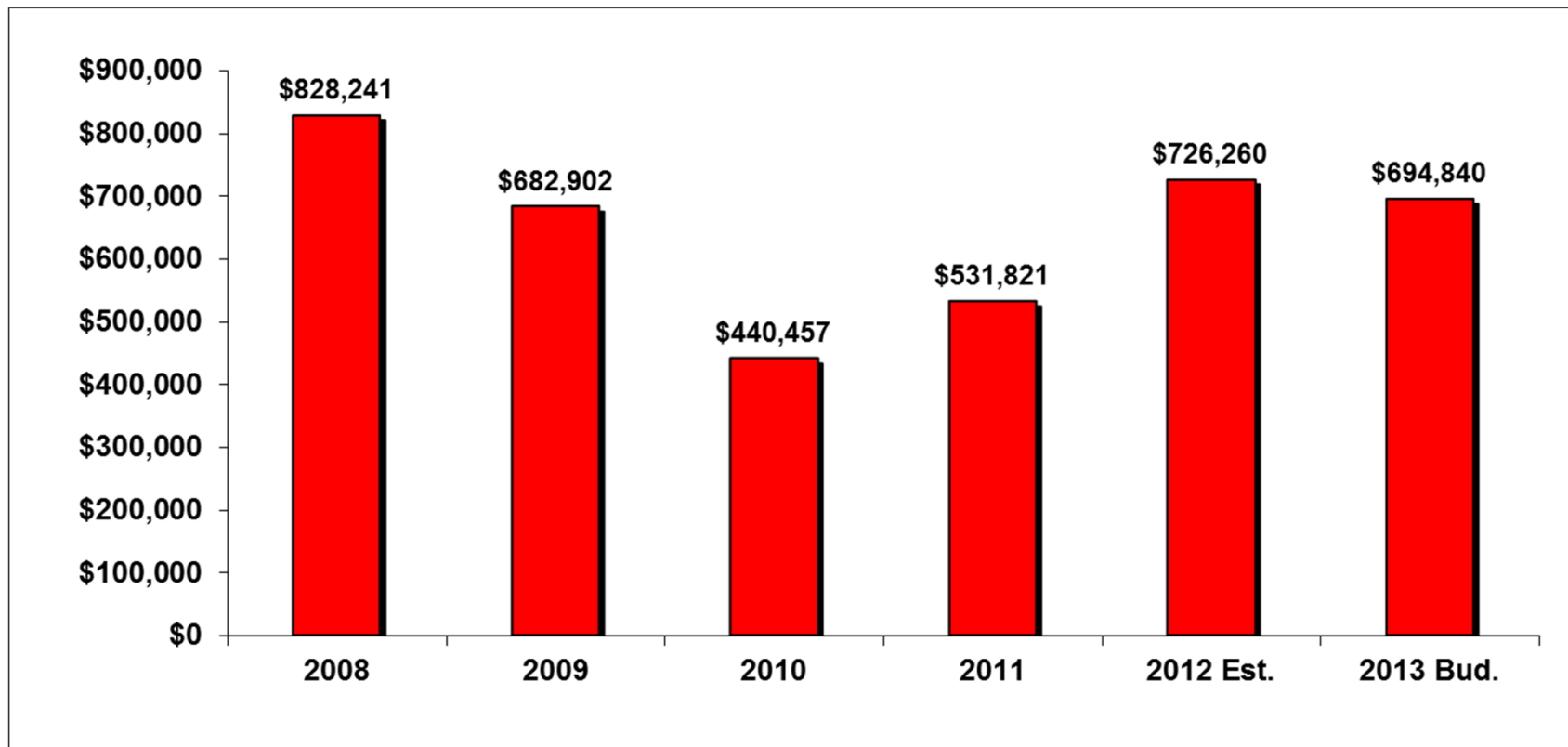


Usage of Overtime - Police

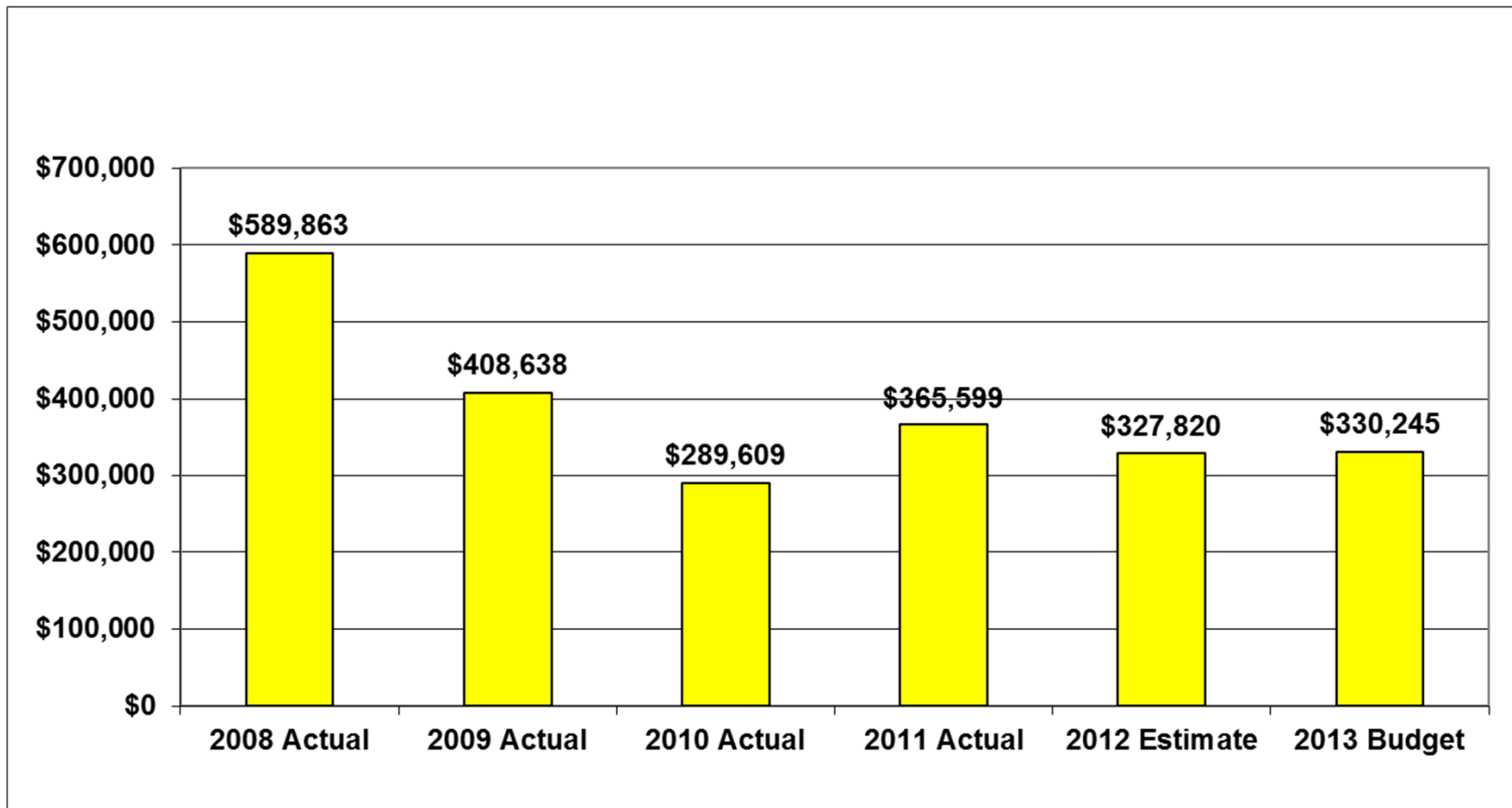


Note: FY12 has \$594,780 in offsetting revenue for details.

Usage of Overtime - Fire



General Fund Overtime Exclusive of Police & Fire






Overlay

FY 2007 – FY 2013





FY 2013 Budget



FY 2013 Budget Overview

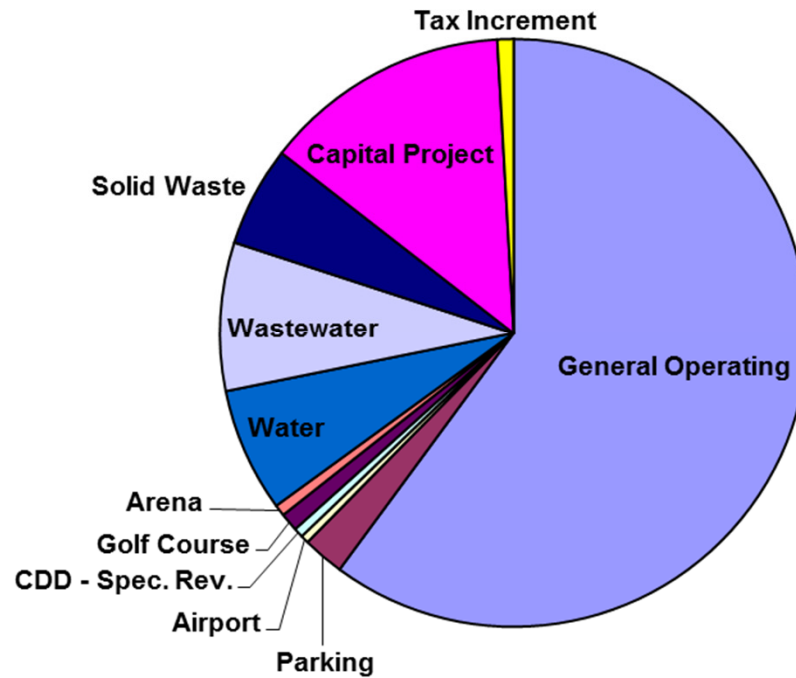
- ❑ Control unaffordable spending growth
- ❑ Enhance revenue opportunities
- ❑ Maintains core and mandated services
- ❑ Improves non-mandated services
- ❑ Invests in needed infrastructure & equipment



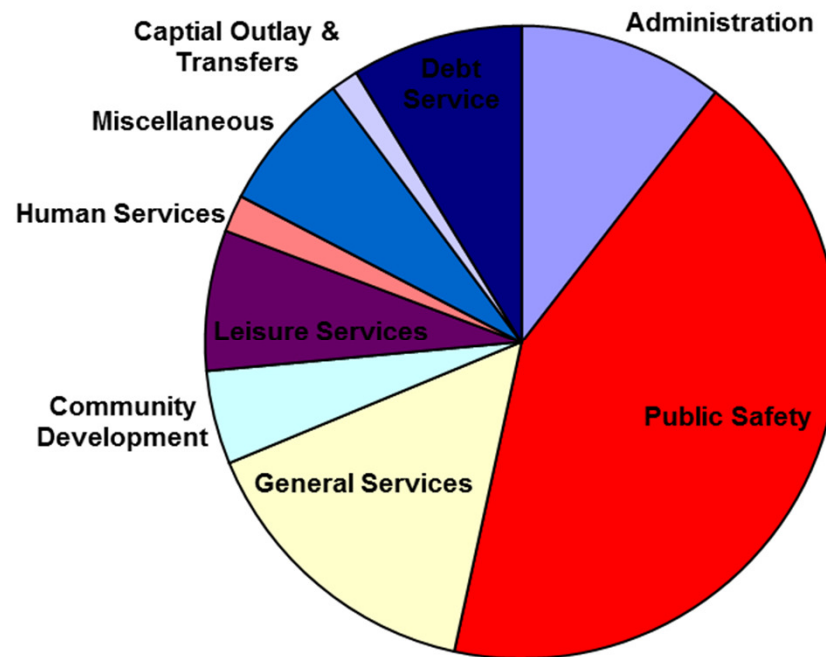
FY 2013 Proposed Budget

Budget Fund	FY 2013 Proposed
General Operating	\$51,558,433
Parking – Special Revenue	\$1,954,389
Airport – Special Revenue	\$380,138
CDD – Special Revenues	\$456,380
Beaver Meadow Golf Course	\$857,135
Everett Arena	\$539,425
Water Utility	\$5,853,870
Wastewater Utility	\$7,037,413
Solid Waste	\$4,715,005
Capital Project General	\$11,661,675
Tax Increment Financing	\$769,065
Grand Total Operating & Capital	\$85,782,928

All Funds Expenditures



General Fund Operating Budget





Financial Concerns

- Reduction in State Revenues or Increased Costs
 - \$1,164,161 in State Revenue Sharing – 4th Year
Total = \$4,656,644
 - \$56,000 in FY13 for Continued Downshift in Retirement Costs
 - \$132,000 reduction in Highway Block Grant –
Potential further reduction in FY14



Financial Concerns

- ❑ Motor Vehicle Registration Revenues
- ❑ Low Interest Earnings
- ❑ Increase in OPEB Unfunded Liability
- ❑ Continued Reductions in Revenue from State
- ❑ Solid Waste Costs – 2014
- ❑ PAYT – Expenses Exceed Revenue
- ❑ Energy Cost Increases
- ❑ Health Care Costs for Current and Retired Employees
- ❑ State Retirement Costs



Closing the Budget Gap



Take the Long View

- Avoid excessive commitments to fixed expenses
 - Be flexible and efficient in spending choices
- Diversify revenue sources
 - Fairly stable
 - Controlled locally across economic cycles
- Continue to engage in long-term financial planning



Take the Long View

- Build adequate reserves to deal with abrupt, temporary shocks
- In making budget reductions:
 - Avoid across the board cuts that take funds away from higher priority and mandated programs and services along with those with lower priority



Personnel Reductions

- ❑ Significant staffing reductions have been made throughout the City over the last few years
- ❑ 1.65 full-time equivalent positions are eliminated as part of the FY 2013 Proposed Budget
- ❑ A total of 32 full-time equivalent positions have been eliminated since 2009



Police Department

- Reductions include:
 - Managed costs savings due to existing vacancies (\$159,850)
 - Reduced costs by purchasing 1 less police car and leasing a motorcycle (\$5,760)



Police Department

- Additions include:
 - Planned 3 year hire of a part-time Property Room Technician (\$16,890)
 - Replace 3 police cars (\$87,160)
 - 1 leased police motorcycle (\$18,700)
 - Portable & Mobile Radio Replacement Program Phase II of III (\$100,039)



Fire Department

- Reductions include:
 - Eliminate Vacant Fire Fighter Position – Net of Overtime (\$50,000)



Fire Department

- Additions include:
 - Replace Two Ambulances (\$452,091)
 - Replace Five Fire Vehicles (\$210,000)
 - New Pagers (\$5,000)



Library

- Reduced use of Trust Funds (\$14,110)
- Replace Automation Service (\$28,000)
- Fire Alarm Improvements (\$15,000)
- Book Sale Money



Administration

- ❑ Addition of \$121,125 for the rental of office space for the Prosecutor's Office and the Human Services Department
- ❑ Addition of \$20,000 for a Change in Bond Sale Cost Expense
- ❑ Reduction of \$20,000 in Outside Services for Assessing – Appraisals and Consultants



Community Development Department

- ❑ Replace Engineering Inspection Vehicle –
Funded through use of Engineering Inspection
Fund Balance (\$30,000)



General Services Department

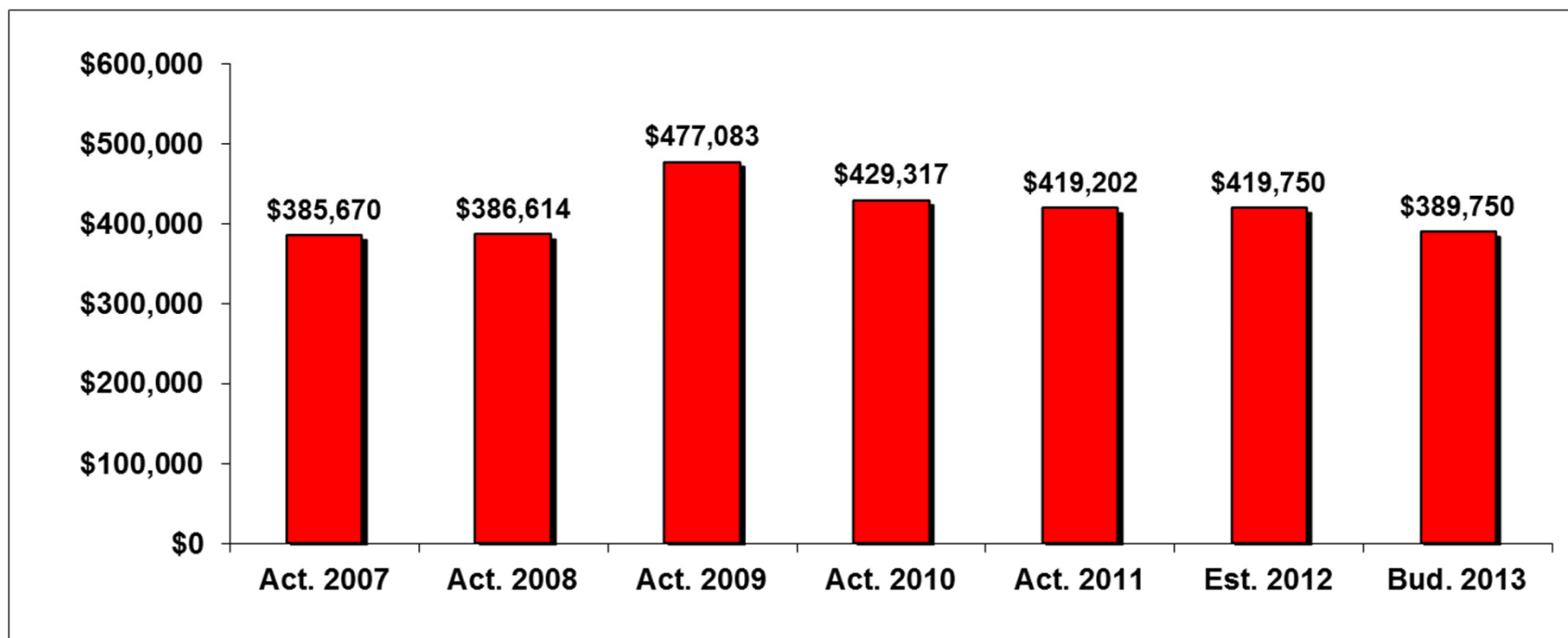
- ❑ All services to continue as approved by City Council for FY 2012
- ❑ Operational Additions/Changes:
 - Fleet – Training/Repairs/Safety Equipment (\$3,300)
 - Highway/Utilities – Urban Weed Control (\$8,000)
 - Public Properties – Equipment/Safety Items (\$13,700)
 - Reallocation of Highway Labor to Utilities (\$31,930)



Parks & Recreation Department

- ❑ Adopt-A-Spot Program funded through a New Hampshire Charitable Foundation Grant

Welfare Aid





Support for Social Services

- ❑ Overall funding is recommended at \$181,780
- ❑ Funding is sustained for Senior Transport & Special Transit and the Community Action Program
- ❑ Funding is sustained for agencies providing shelter for the homeless and rape and domestic violence victims
- ❑ Funding is sustained for the Penacook Community Center



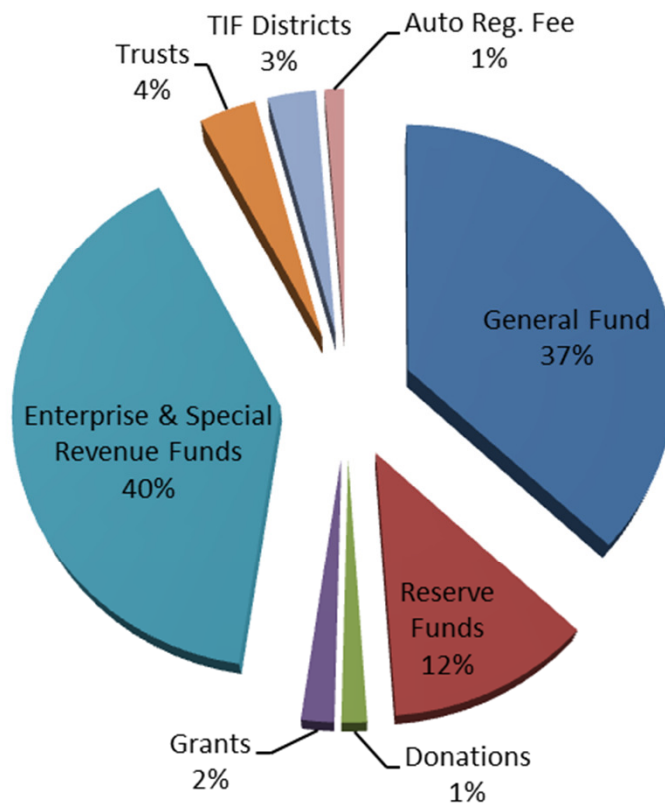
Solid Waste Fund

- ❑ Solid waste tip fee
 - Projected to remain at \$66.80/ton as it has for the last two years
- ❑ Recall that the fund includes costs for bond payments for the Old Turnpike Road Landfill Closure and revenues from a State Grant for a net expenditure of approximately \$180,000 (formerly General Fund)
- ❑ Household Hazardous Waste Collection Program is continued
- ❑ Need To Continue To Move Forward With Single-Stream Recycling



Capital Improvement Program

Capital Improvement Program By Funding Source

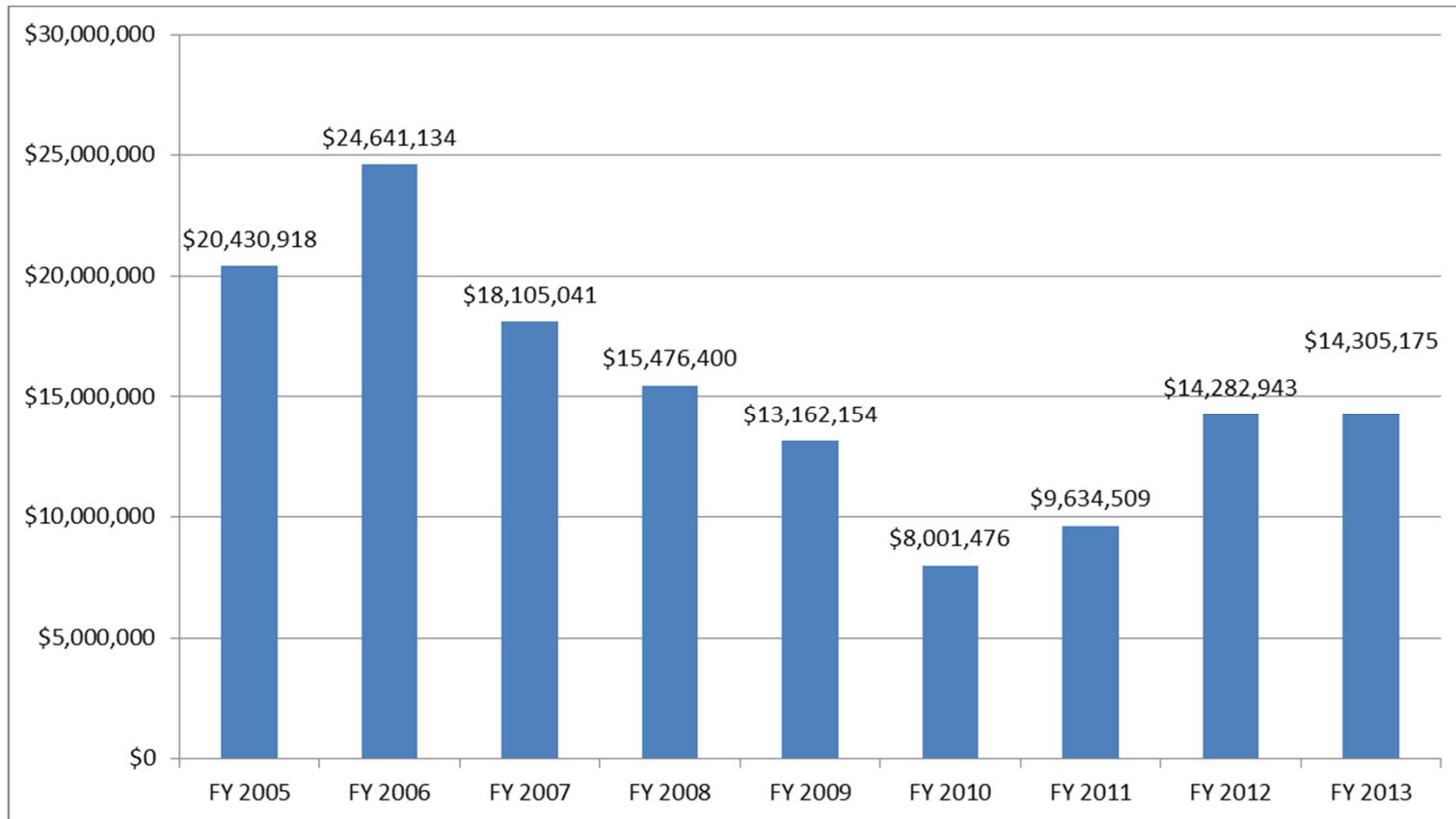




FY 2007 – FY 2013 Total Capital Improvement Program Spending

Fiscal Year	Total Spending	Change From Previous Fiscal Year
FY 2007	\$18,105,041	
FY 2008	\$15,476,400	-15%
FY 2009	\$13,162,154	-15%
FY 2010	\$8,001,476	-39%
FY 2011	\$9,634,509	+20%
FY 2012	\$14,282,943	+48%
FY 2013	\$14,305,175	+0%

Total Capital Budget Spending

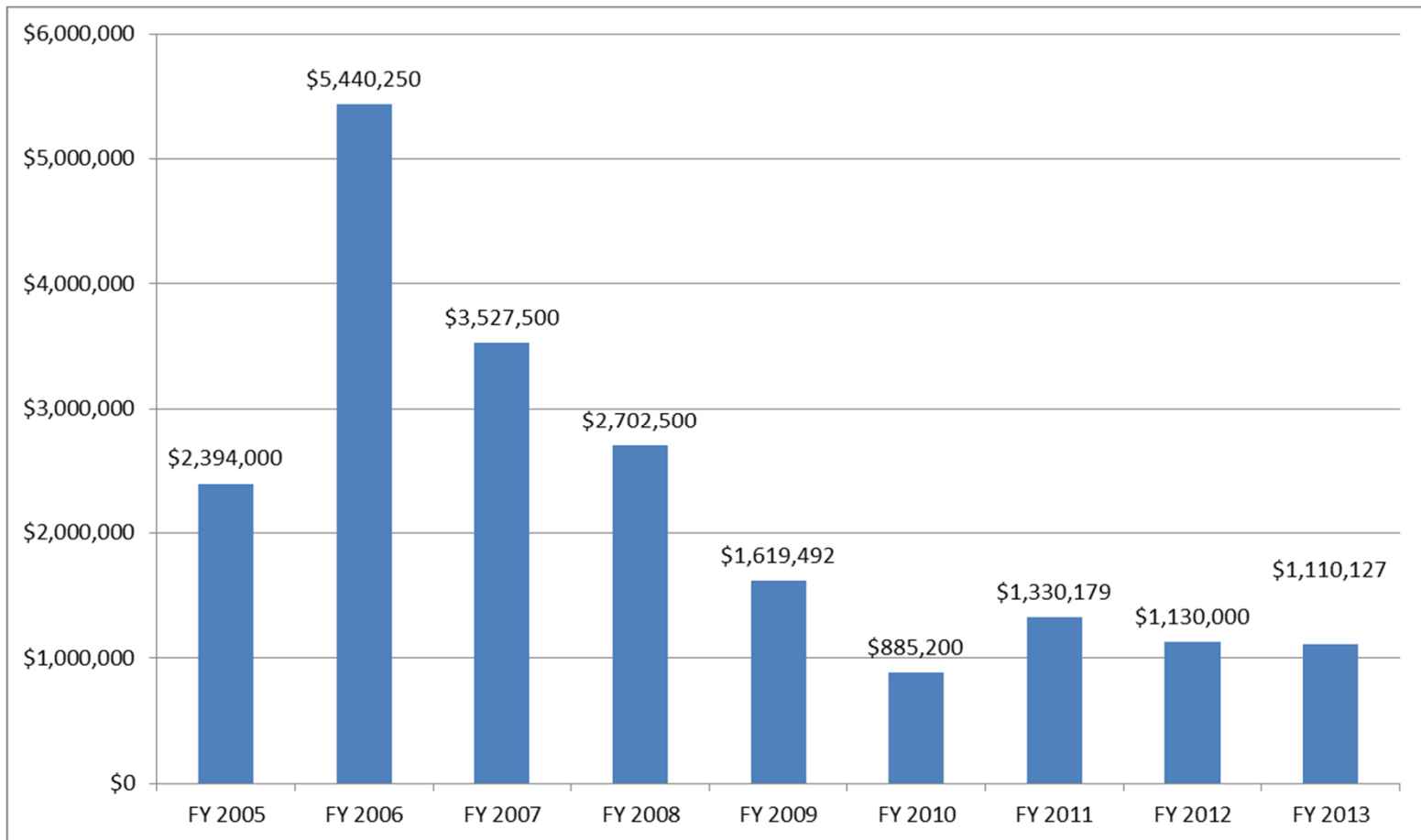




FY 2013 Capital Improvement Program Annual Highway Program

- ❑ Recommended funding equals \$1,110,127
- ❑ Same amount as compared to FY 2012
- ❑ Last year focused on heavily traveled streets
- ❑ This year focus is on neighborhood streets
- ❑ Highway Program Note: Paving program is coordinated with the Water and Wastewater Utility Programs

Highway and Sidewalk Spending





FY 2013 Capital Improvement Program Economic Development Initiative

- Recommended for funding:
 - Property Acquisition on NEOCTIF for Storrs Street/Constitution Avenue connection



FY 2013 Capital Improvement Program

Vehicles & Equipment Purchases

- General Services Department Equipment Replacement (\$1,162,000 – All Funds)
 - Replace Three 10-Wheel Dump Trucks
 - Replace Vector Truck
 - Replace 2 Sidewalk Tractors
 - Replace 2 Vans
 - Replace 3 Stainless Steel Sander Units



FY 2013 Capital Improvement Program

Vehicles & Equipment Purchases

- Fire Department Equipment Replacement
 - Replace 2 Ambulances \$452,091
 - Replace 5 Operations Vehicles \$210,000



FY 2013 Capital Improvement Program

Building Repairs

- ❑ \$501,328 – City Hall Roof Repairs
- ❑ \$45,000 – Demolition of 10 Prince Street
- ❑ \$60,000 – Fire Suppression System Maintenance @ COMF
- ❑ \$15,000 – Main Library Fire and Sprinkler System Maintenance



FY 2013 Capital Improvement Program

Parks & Recreation

- ❑ \$875,000 – Multi-Generational City Wide Community Center Design (Includes \$300,000 carried forward from FY12 that has not been appropriated.) Project is funded through a mixture of donations, GF Bonds, and funding from the Recreation Trust.



FY 2013 Capital Improvement Program

Parks & Recreation

- ❑ \$175,000 – Phase II of Eagle Square Renovations
- ❑ \$10,000 – Terrill Park – Phase II – Interim Athletic Field
- ❑ \$10,037 – White Park Bridge Repairs



FY 2013 Capital Improvement Program

Public Safety

- \$100,039 – Police Department Radios (Phase II of a Three Phase Replacement Program)



FY 2013 Capital Improvement Program Technology

- ❑ \$165,427 – Annual computer hardware and software upgrades
- ❑ \$33,000 - City Website Redesign (Phase II)
- ❑ \$28,000 – Upgrade Library Automation Servers
- ❑ \$13,500 – Photocopy Machine Replacement Program



FY 2013 Capital Improvement Program

Concord Municipal Airport

- ❑ \$230,000 – Replace Front End Loader (92.5% paid with grant funds)
- ❑ \$12,554 – Fuel Farm Maintenance
- ❑ \$21,028 – Pavement Improvements



FY 2013 Capital Improvement Program

Parking

- \$1,570,116 – Structural Repairs to the Durgin and Firehouse Block garages



FY 2013 Capital Improvement Program

Water Fund Projects

- ❑ \$20,000 – Design - Sawmill & Hopkinton Roads
- ❑ \$2,299,711 – Loudon Road Water Main
Replacement – East Side Drive to Old Loudon Road
- ❑ \$25,000 – Software/Equipment Upgrades
- ❑ \$101,000 – Replace 850 Meters & Reading Devices
- ❑ \$50,000 - Repairs to the West End Water Tank
- ❑ \$52,500 for valve and hydrant replacements



FY 2013 Capital Improvement Program Water Fund Projects

- ❑ \$300,000 Water Master Plan Plant Improvements:
 - Sedimentation Basin Motor Control Centers
 - Refurbish Roof of Filter Gallery
- ❑ \$75,000 Pump Station #2 Refurbishment



FY 2013 Capital Improvement Program

Wastewater Fund Projects

- ❑ \$35,000 – Village Street Lining (235LF)
- ❑ \$35,000 – Interceptor Access Rd Maintenance
- ❑ \$252,382 - Hall Street Plant Renovations
 - Pump replacement and upgrades
 - EPA/NHDES Vulnerability – Security gate improvements
 - Replacement Mower



FY 2013 Capital Improvement Program

Wastewater Fund Projects

- \$146,500 - Penacook WWTP Renovations
 - Pump Rebuild
 - Repair influent channel
 - Access gate replacement

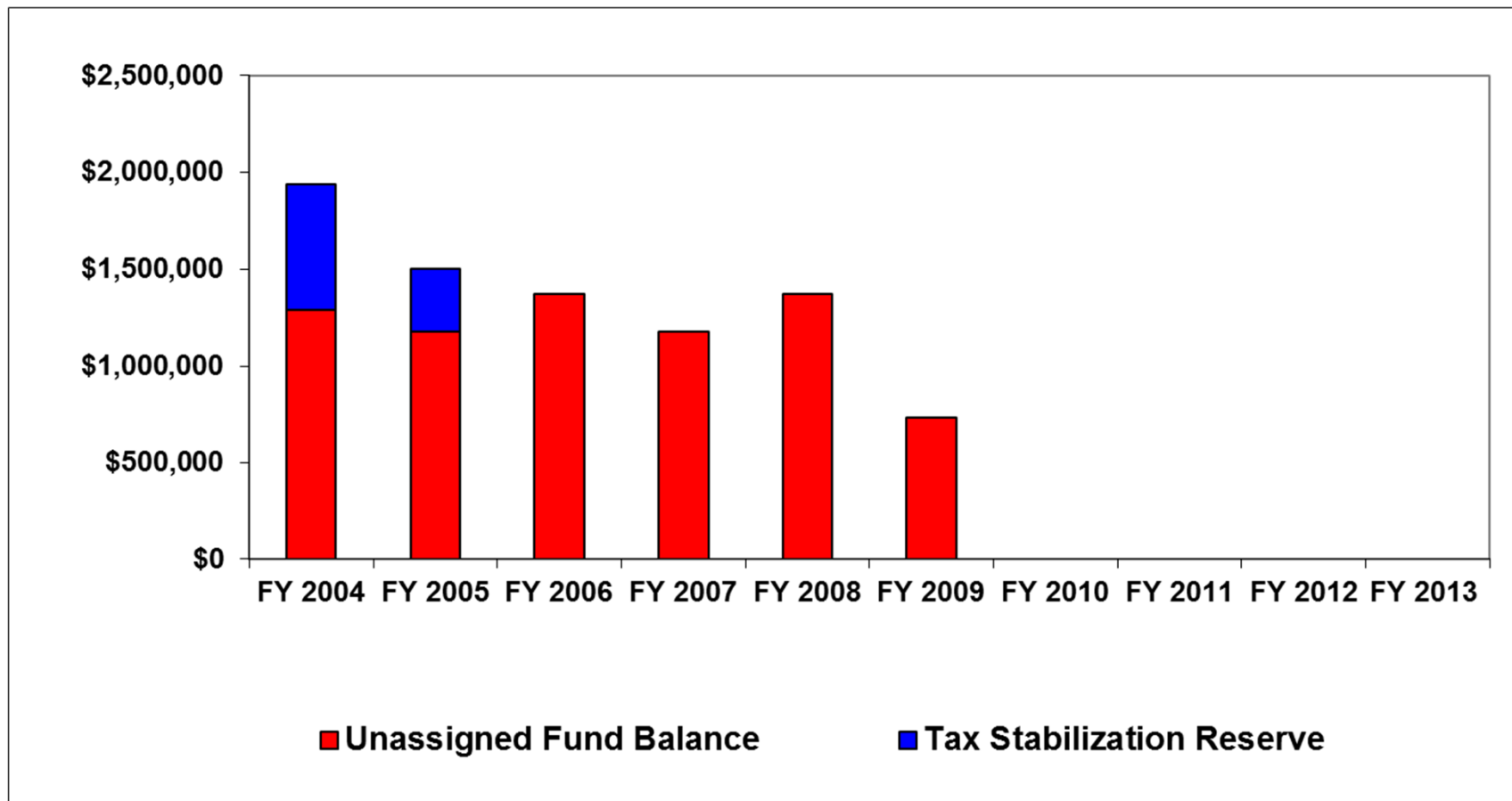


FY 2013 Capital Improvement Program

Solid Waste

- \$285,000 – Interim Improvements and Ongoing Permitting and Monitoring Activities at the Old Suncook Road Landfill

Use of Unassigned Fund Balance and Tax Stabilization Reserve as Revenue





Areas of Needed Focus

- ❑ Revenues: Motor Vehicle & Interest Income
- ❑ Parks and Recreation Foundation
- ❑ OPEB Unfunded Liability
- ❑ State/Local Government Relationships
- ❑ Solid Waste Costs (2014)
- ❑ Recycling & PAYT
- ❑ Web Development



Areas of Needed Focus

- ❑ Multi-Generational Community Center
- ❑ Relocation of Human Services Department and Prosecutor's Office
- ❑ Health Care Costs – Current & Retired Employees
- ❑ State Retirement Costs

Multi-Generational Community Center /Dame School Site (Not in Budget Proposal)



Multi-Generational Community Center Keach Park/Dame School Site





Multi-Generational Community Center Keach Park/Dame School Site

- ❑ City to acquire on or about September 1, 2012
- ❑ City owns house at 28 Canterbury Road; leased to CATCH until March 31, 2013, with options for additional extensions
- ❑ Center proposed for construction during FY 2015
- ❑ What to do during interim period September 1, 2012 to April 1, 2015 (Anticipated Construction Start Date); Total of 30 +/- Months



Multi-Generational Community Center

Option #1 “Secure & Moth Ball”

- ❑ Capital Scope Includes:
 - Fence entire building (leave parking lot & playground accessible)
 - Securing all windows & doors (painted metal)
 - Temporary roof repair to last 5 years
 - Sprinkler System Modifications
 - Draining all water lines; some removal of plumbing fixtures



Multi-Generational Community Center

Option #1 “Secure & Moth Ball”


- ❑ Capital Scope Continued:
 - Decommission oil heat system; drain & remove 12,000 gallon oil tank; install small electric heaters in mechanical rooms
- ❑ Total Capital Investment: \$177,000
- ❑ Projected Operating Cost (30 Months): \$80,800
- ❑ Total Investment: \$257,800



Multi-Generational Community Center

Option #2 “Interim Recreation Use”

- ❑ Interim Use October 1, 2012 – March 31, 2015 (30 Months Total)
- ❑ Mixture of New City Programming & Short-Term Leases to Nonprofit Partners
- ❑ Net Cost to City: \$261,400



Multi-Generational Community Center

Summary – 2 Options

Option	FY2013 "Net" Cost	30 Month Total Cost
1 "Secure & Moth Ball"	\$191,650	\$257,800
2 "Interim Year Round Use"	\$108,550	\$261,400

Fiscal Year 2013 Budget



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